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THE



Ed W. Fisher

MARKET ADMINISTRATOR

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First Quarter Butter Production Down, Other Product Production Up

The Dairy Situation, Economic Research Service USDA, April 1963

As a result of less milk production in January-March than in these months of 1962 and an estimated 1 percent gain in sales of milk for fluid milk and cream, less milk was available for manufactured dairy products in the first quarter of this year than last. This was reflected in a decline in the production of commodities purchased for price-support purpose.

During the first quarter of 1963, butter production was about 10 percent below output in the same period of 1962. Cheese production was down 2 percent. However, during the last 3 weeks of March, American cheese production was at or above the year earlier level. Nonfat dry milk production (human food) was 7 percent less in January-February than in these months of 1962. On the other hand, output of products not purchased by CCC generally has risen. Production of evaporated milk in January and February was nearly 10 percent more than in the same months of 1962. These gains followed a production increase of 10 percent in the last quarter of 1962 over a year earlier. Dry whole milk and ice cream production also gained in January and February over a year earlier, 23 percent for dry whole

milk and about 1 percent for ice cream.

Some of the increases in production probably reflect low commercial inventories of certain products, relative to 1962. Stocks of evaporated milk at the end of February were 11 percent below a year earlier. As a result, the industry is supplying market requirements from current production to a greater extent than last year. Dry whole milk stocks were 11 percent lower and cheese stocks were down 17 percent. Despite the declines, February cheese stocks were still above those in any year except 1961 and 1962. Commercial stocks of all manufactured dairy products at the end of February were 3.8 billion pounds of milk equivalent compared with 4.6 billion in February 1962 and 3.1 billion pounds average for 1957-59.

After the August 1962 peak of 5.8 billion pounds of milk equivalent, commercial stocks of manufactured products declined seasonally 2.1 billion pounds by the end of February compared with a decline of 2.6 billion in the same period a year earlier. This means that about a half billion pounds more of milk production were used directly for consumption during these months than a year earlier.

PRODUCTION PER COW GAINS LESS IN FIRST QUARTER THAN YEAR AGO

The Dairy Situation, Economic Research Service
USDA, April 1963

In the United States, milk production per cow in March was 650 pounds compared with 639 in March 1962 and a 584-pound average for 1957-61. Production per cow in March gained in 28 of the 39 States for which these data are recorded. Five of the remaining 11 States showed no change from a year ago and 6 showed less production. These 6 are Wisconsin, South Dakota, South Carolina, Georgia, Alabama, and Texas, with no gains recorded for Illinois, Iowa, North Dakota, Virginia, and West Virginia. Largest increases from a year earlier were reported in Nevada, with a gain of 130 pounds per cow; Pennsylvania, 49 pounds; Idaho, 47 pounds; and Oklahoma, 40 pounds.

Milk production per cow gained only 10 pounds in January, 6 in February, and 11 in March, a 1.5 percent increase for the first quarter compared with last year's gain of 21, 19, and 11 pounds, or 2.9 percent, in these months. Adjusted for seasonality, first quarter production per cow was at an annual rate of 7,480 pounds of milk. This relatively low rate of gain, however, does not necessarily indicate that production per cow for the year will be less than the approximately 200-pound average for the

(Continued on Back Page)

Federal Order No. 35
Capital 45197
Room 505
COLUMBUS, OHIO
JUN 20 1963

CURRENT SERIAL RECORDS



Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)	.....
Producers' Uniform Price (4%)	.....
Class I (3.5%)	.....
Class II (3.5%)	.....
Class III (3.5%)	.....
Class IV (3.5%)	.....
Producer Butterfat Differential for each one-tenth percent	.....

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	.....
Percent of Producer Butterfat in Class I	.....
Percent of Producer Milk in Class II	.....
Percent of Producer Butterfat in Class II	.....
Percent of Producer Milk in Class III	.....
Percent of Producer Butterfat in Class III	.....
Percent of Producer Milk in Class IV	.....
Percent of Producer Butterfat in Class IV	.....

PRODUCER MILK RECEIPTS

Total Pounds of Producer Milk Delivered	.....
Average Daily Class I Producer Milk	.....
Total Number of Producers	.....
Average Daily Receipts per Producer	.....
Average Butterfat Test	.....
Total Value of Producers Milk at Test	.....
Income per Producer (7 day average)	.....

GROSS CLASS USE (Pounds)

Class I Skim	.....
Class I Butterfat	.....
Class I Milk	.....
Class II Skim	.....
Class II Butterfat	.....
Class II Milk	.....

AVERAGE DAILY SALES (Quarts)

Milk	.....
Buttermilk	.....
Chocolate	.....
Skim	.....
Cream	.....

April 1963	March 1963	April 1962
\$3.55	\$3.95	\$3.65
3.905	4.31	4.005
4.10	4.11	4.22
3.713	3.702	3.899
3.605	3.663	3.617
2.985	3.063	2.997
7.1¢	7.2¢	7.1¢
74.2	78.6	75.7
69.5	71.6	70.9
7.9	8.4	7.9
2.2	2.3	2.3
4.0	3.5	3.6
8.7	7.6	4.6
13.9	9.5	12.8
19.6	18.5	22.2
38,742,885	38,328,637	33,768,621
958,105	972,276	851,739
1,381	1,383	1,317
935	894	855
3.77	3.88	3.82
\$1,579,412.67	\$1,615,666.24	\$1,427,864.01
\$266.86	\$263.79	\$252.98
27,727,606	29,075,317	24,637,265
1,015,530	1,065,240	914,916
28,743,136	30,140,557	25,552,181
3,033,555	3,267,811	2,660,480
32,450	34,487	29,102
3,066,005	3,302,298	2,689,582
324,984	323,144	293,383
5,239	4,473	4,869
17,056	16,477	15,833
12,967	12,293	12,035
8,839	8,382	8,632

COMPARATIVE STATISTICS



COLUMBUS MARKETING AREA

☆ APRIL, 1954 - '63

Year	Receipts from Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1954	24,780,492	3.86	67.3	7.4	11.8	13.5	3.41	4.046	3.646	3.286	3.110	2,195	376
1955	25,320,226	3.77	69.0	8.6	12.7	10.0	3.60	4.219	3.819	3.319	3.143	2,091	404
1956	25,778,372	3.81	71.8	8.3	11.0	8.6	3.65	4.258	3.858	3.360	3.183	2,056	418
1957	24,307,929	3.77	80.8	10.9	5.6	2.7	4.07	4.57	4.17	3.49	3.07	1,899	427
1958	25,127,358	3.73	78.0	9.2	8.9	3.9	3.81	4.350	3.950	3.350	2.927	1,821	460
1959	27,016,706	3.75	83.8	8.4	2.6	5.2	3.81	4.314	3.914	3.489	2.869	1,772	508
1960	28,853,090	3.83	78.1	8.0	3.2	10.7	3.63	4.195	3.795	3.532	2.904	1,690	569
1961	28,736,091	3.80	79.2	7.5	2.1	11.2	3.79	4.328	3.928	3.729	3.119	1,243	771
1962	33,768,621	3.82	75.7	7.9	3.6	12.8	3.65	4.22	3.899	3.617	2.997	1,317	855
1963	38,742,885	3.77	74.2	7.9	4.0	13.9	3.55	4.10	3.713	3.605	2.985	1,381	935

Dairy Prices Stable In First Quarter Relative To Livestock Prices

The Dairy Situation, Economic Research Service USDA, May 1963

In contrast to fairly stable dairy prices during the first quarter of 1963, prices for hogs fell in each month since September through March, while fed cattle prices started downward in December, causing the average beef cattle price to fall sharply in February and March. The average price for hogs fell from \$14.80 per 100 pounds in February to \$13.70 in March, the largest drop between these months on record for this series. Average beef cattle prices fell from \$20.40 per 100 pounds in February to \$19.60 in March, the first drop from February to March that has occurred since 1953, and on-

ly the fifth time since 1910 that the price has declined in March. As a result of lower prices for meat animals and steady milk prices, the milk-hog and milk-beef price ratios rose to 0.23 and 0.16 in March respectively, from 0.21 and 0.15 in January. These levels compare with the 1952-61 averages of 0.20 and 0.18.

The present improvement in prices farmers receive for milk and cream, relative to livestock prices, may not persist. Seasonal declines in farm prices for milk and cream are now starting. Moreover, though prices of beef cattle have fallen, the drop appears to be associated chiefly with

a heavy supply of fed cattle. Expectations are that normal movement to market plus a continued high level of demand for meat will cause cattle prices to level out and perhaps rise somewhat in the fall of 1963.

Farmers' farrowing intentions indicate that more pork will be marketed in 1963 than in 1962. Live hog prices are expected to be lower throughout 1963 than in 1962, and the position of dairying relative to hogs probably will improve over 1962.

On the whole, it appears doubtful that current price relationships will greatly affect the movement of resources out of dairy production.

CCC Purchases For Marketing Year Down From '61-'62

The Dairy Situation, Economic Research Service USDA, April 1963

CCC purchases (delivery basis) in 1962-63 marketing year (started April 1, 1962), were 347 million pounds of butter, 137 million pounds of cheese, and 1,279 million pounds of nonfat dry milk. In terms of milk equivalent, purchases amounted to 8.7 billion pounds. Butter purchases were the third highest in any marketing year, ranking behind the 435 million pounds in 1961-62 and 375 million in 1953-54. Cheese purchases were far below the 1953-54 record of 387 million pounds. Purchases of nonfat dry milk were only 4 million pounds above the previous record of 1,275 million pounds in 1961-62.

Part of the drop in purchases of

butter and cheese and the relatively small increase in nonfat dry milk purchases from last marketing year's level was attributable to heavy sales to CCC during the first quarter of 1962, prior to the drop in support levels on April 1. After the new level of price supports was established, CCC purchases were at record levels for several months, until declining milk production brought about more complete utilization or marketings through sales in commercial channels. During the closing months of 1962, cheese purchases were at very low levels, and butter purchases fell well below purchases in the same months of 1961.

Purchases during the first quarter of 1963 amounted to 117 million pounds of butter, 14 million pounds of cheese, and 329 million pounds of nonfat dry milk. In terms of milk equivalent, they were only 31 percent of the 1962 level for the same period. This drop in purchase came about from the 1 percent decline in production during the first quarter of 1963, increased production of evaporated and dry whole milk and ice cream, about a 1 percent gain in sales of fluid milk and cream and less decline in commercial inventories. During the second quarter of 1963, CCC purchases are expected to increase seasonally.

PRODUCTION PER COW GAINS . . .

(Continued from Page One)

last 10 years. In 1961, when average production per cow rose 221 pounds, January production per cow was 8 pounds above a year earlier and February production down 8 pounds. March production per cow rose 22 pounds, a gain of 22 pounds for the quarter, but less than the 27 pounds for the same months of 1963.

There has been a considerable shift in the past 10 years in the seasonal pattern of average production per cow, somewhat corresponding to the shift in seasonality of total milk production. Production per cow in January, February, and March and October, November, and December has been increasing. The rate of production in April is roughly the same as 10 years ago, and for the remaining 5 months (May-September) production per cow has become a lower proportion of the annual rate. Continuation of the trends toward fall freshening, heavy grain and concentrate feeding of milk cows, and generally improving management is likely to cause this trend toward higher fall and winter milk yields to continue.

**June
is Dairy
Month**

FEED GRAIN SUPPLIES IN 1963

ONLY SLIGHTLY BELOW 1962 LEVEL

The Dairy Situation, Economic Research Service USDA, April 1963

Farmers' intentions to plant on March 1 indicate that another favorable growing season this year will result in feed grain supplies amounting to 213 million tons compared with last year's supply of 215 million. Based on March 1 intentions, the feed grain crop would amount to nearly 152 million tons, nearly a 6 percent increase over 1962 but 3 million below the record output of about 156 million in 1960. Carryover into the 1963-64 feeding year is expected to be about 10 to 12 million tons below the 72 million carryover a year earlier. Should the crop turn out as large as indicated above, carryover stocks would be reduced somewhat less in 1963-64 than is expected for the current feeding year.

Farmers stated intentions to plant about 2.6 million acres more to feed

grains in 1963 than in 1962, indicating a total of 128.5 million compared with 125.9 in 1962. Corn and sorghum acreage would be increased, while oats and barley acreage would decline.

Since the number of grain-consuming animal units to be fed in 1963-64 is expected to increase above the current level, the supply of grain per animal will be a little less than in 1962-63.

Present plans are for farmers to harvest hay from about 67 million acres in 1963, about 1 percent less than the acreage harvested last year. If yields per acre are about average, with an allowance for trend, the production of hay on this intended acreage should be slightly above the 1962 crop of 121 million tons.

Market Quotations

APRIL
1963

MINNESOTA - WISCONSIN PRICE SERIES	\$3.08
MIDWEST CONDENSERIES 3.5% per Cwt.	3.025
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.105
Average Weekly Cheddars price per lb.	.3380
Average price per lb. 92-score butter at Chicago	.5797
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant	.1397

THE

Market Administrator's BULLETIN

Room 505
79 East State Street
COLUMBUS, OHIO

**BE STRONGER
LIVE LONGER
DRINK MILK**



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